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COMMENTARY**Misplaced Trust**By **DAVID HENDERSON***October 11, 2007*

Governments world-wide are mishandling climate-change issues. Policies to curb "greenhouse gas" emissions too often take the form of costly specific regulations rather than a general price-based incentive such as a carbon tax. More fundamentally, there is good reason to question the advice on which governments are basing their policies.

This advice is brought together through an elaborate process which governments themselves created. The process is managed by the U.N. Intergovernmental Panel on Climate Change (IPCC), established in 1988 and made up of government officials, not all of whom are scientists.

The IPCC process has since produced four massive Assessment Reports, designed to provide the basis for climate-change policy. These reports cover the whole range of issues, including economic, scientific and technical aspects. The latest in the series, AR4, will be completed next month. It will run to more than 3,000 pages, and its preparation has involved some 2,500 experts.

Because of this extensive and structured expert participation, the IPCC process and its findings are widely taken to be professionally above reproach. Yet the expert network is only one of three main groups of participants in the IPCC process. The Panel itself, at the center of the process, is a separate body from the expert network. Third are the national-level agencies -- the policy makers -- that the Panel reports to.

Governments have formally laid down, in the "principles governing IPCC work," that Panel reports "should be neutral with respect to policy." But this instruction can apply only to the expert reporting process. As officials, the Panel members and those who appoint them are of course identified with the policies of their governments. And virtually all governments are formally committed, within the 1992 U.N. Framework Convention on Climate Change, to the "stabilization of greenhouse gases in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system." Since 1992, the risks arising from human-induced global warming have been officially taken as proven. Policies have been framed accordingly.


These committed Panel members, and their equally committed parent departments, provide the lists of persons from which the expert network is largely chosen. They also review, amend and approve the draft Assessment Reports. Hence, departments and agencies which are not -- and cannot be -- neutral in relation to climate-change issues are deeply involved, from start to finish, in the reporting process.

Policy commitment often shades into bias. From the outset, leading figures within the IPCC process have shared the conviction that anthropogenic global warming presents a threat which demands prompt and far-reaching action. Indeed, had they not held this belief, they would not have been appointed to their positions of influence. Both they and their ministers are apt to make confident, alarmist statements which go well beyond the more guarded language of the Assessment Reports. A notable instance was the October 2006 joint statement by two European prime ministers that "We have a window of only 10-15 years to take the steps we need to avoid a catastrophic tipping point."

The expert reporting process itself is flawed, in ways that reflect this built-in, high-level, official bias. Despite the number of persons involved and lengthy formal review procedures, the preparation of the IPCC Assessment Reports is far from being a model of rigor, inclusiveness and impartiality.

A specific weakness in some IPCC documents is the treatment of economic issues, which is not professionally up to the mark. One aspect of this has been the use of invalid cross-country comparisons of real GDP, based on exchange rates rather than purchasing power parity estimates.

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A basic general weakness is the uncritical reliance on peer review as a qualifying criterion for published work to be taken into account in the assessments. Peer review is no safeguard against dubious assumptions, arguments and conclusions if the peers are largely drawn from the same restricted professional milieu. What is more, the peer-review process as such is insufficiently rigorous, since it does not guarantee due disclosure of sources, methods and procedures.

Failures of disclosure, such as many journals would not tolerate, have characterized published work that the IPCC has drawn on. The Panel has failed to acknowledge this problem and take appropriate action to deal with it. The issue is simply evaded in the relevant sections of AR4.

So far, despite the prospective high costs of what could be mistaken policies, governments have paid little attention to telling outside criticisms of the IPCC process. As a former Treasury official, with later close dealings with economics and finance ministries in OECD member countries, I have been surprised by the way in which these ministries have accepted uncritically the results of a process of inquiry which is so obviously biased and flawed.

Even if the IPCC process were beyond challenge, it is imprudent for governments to place such heavy reliance, in matters of extraordinary complexity where huge uncertainties remain, on this particular source of information, analysis and advice. In fact, the process is flawed, and this puts in doubt the accepted basis of official climate policies.

In relation to climate change, there is a clear present need to build up a sounder basis for reviewing and assessing the issues. Governments should ensure that they and their citizens are more fully and more objectively informed and advised.

Two broad lines of action could be taken to this end. One is to improve the IPCC process, by making it more professionally representative and watertight. The other is to go beyond the process, by providing for alternative sources of information and advice. An independent expert review of AR4 would be a good place to start.

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